

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

| | | |
|---------------------------------------|---|-----------------------|
| IN THE MATTER OF THE PROMULGATION |) | CAUSE NO. 510 |
| AND ESTABLISHMENT OF FIELD RULES TO |) | |
| GOVERN OPERATIONS IN THE GRAND VALLEY |) | DOCKET NO. 0903-AW-01 |
| FIELD, GARFIELD COUNTY, COLORADO |) | |

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The below-listed lands are unspaced and subject to this Rule.

Township 7 South, Range 97 West, 6th P.M.

| | |
|-------------|--|
| Section 8: | The E½ of Tract 39 and 1.26 acres out of the NW corner of Tract 39 |
| Section 17: | Tract 89 |
| Section 18: | Tracts 89 and 91 |
| Section 21: | Lots 112B and 112C |
| Section 22: | Tract 112B |
| Section 26: | Tracts 121C and 121B |

On July 11, 2005, corrected August 18, 2005, the Commission issued Order No. 510-15, which among other things, allowed the equivalent of one (1) well per 10 acres to be drilled on certain lands including those listed below, for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the outside boundary:

Township 6 South, Range 97 West, 6th P.M.

| | |
|-------------------------|--|
| Section 3: | Lots 7 through 16, and S½ |
| Sections 4 and 5: | All |
| Section 6: | Lots 13 through 18, Lots 22 through 25, E½ SW¼ and SE¼ |
| Section 8: | E½, E½ NW¼, SW¼ NW¼, and SW¼ |
| Sections 9 and 10: | All |
| Sections 15 through 17: | All |
| Section 18: | E½ and SE¼ NW¼ |
| Section 19: | NE¼ and E½ NW¼ |
| Section 20: | All |
| Section 29: | All |
| Section 32: | All |

Township 7 South, Range 97 West, 6th P.M.

| | |
|-------------------|---|
| Section 5: | Subtracts A and B of Tract 82, Subtracts A and B of Tract 83, and the portions of Tracts 80 and 81 lying in Section 5 |
| Sections 6 and 7: | All |

On January 9, 2006, corrected February 27, 2006, the Commission issued Order No. 510-18, which among other things, established 320-acre drilling and spacing units and allowed the equivalent of one (1) well per 10 acres to be drilled on certain lands including those listed below, for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the unit boundary:

Township 5 South, Range 96 West, 6th P.M.

| | |
|-------------|-----------------------|
| Section 31: | SE ¼ and Lots 1 and 2 |
|-------------|-----------------------|

Township 6 South, Range 97 West, 6th P.M.

| | |
|---------------------|-------------|
| Section 2: | S½ |
| Section 11: | W½ and SE ¼ |
| Section 14: | S½ |
| Sections 21 and 22: | All |
| Section 28: | All |
| Section 33: | All |

On April 24, 2006, the Commission issued Order No. 510-20, which among other things, allowed the equivalent of one (1) well per 10 acres to be drilled on certain lands including those listed

below, for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the unit boundary:

Township 6 South, Range 97 West, 6th P.M.

Section 14: N½
Section 23: NW¼
Section 27: All

On April 24, 2006, the Commission issued Order No. 510-26, which among other things, allowed the equivalent of one (1) well per 10 acres to be drilled on the below-listed lands, for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the outside boundary:

Township 6 South, Range 97 West, 6th P.M.

Section 34: Lots 1 and 2

Township 7 South, Range 96 West, 6th P.M.

Section 9: S½
Section 10: SW¼
Section 15: NW¼
Section 16: All
Section 17: NE¼ and S½
Section 18: S½
Section 19: N½ and SW¼
Section 20: N½
Section 30: NW¼

Township 7 South, Range 97 West, 6th P.M.

Section 3: Tracts 71 and 72, Amended Tract 75, Lots 5-7, and SE¼ SE¼
Sections 3, 4 and 9: Tract 77F
Section 4: Tracts 77B, 77C, 79E, 79F, and 79G
Section 5: Lots 5 -10, Tracts 84 and 85
Section 8: Lots 1 – 8, Tracts 85, 88, and 89
Section 9: Lots 1 and 2, Tracts 92, 93, 94A, 94B, 94C, 94D, 94E, 94F, and 95
Section 10: All
Section 11: S½ S½
Section 12: S½ S½
Section 13: All
Section 14: W½
Sections 15 and 16: All
Section 17: Lots 1 – 9, Tracts 103 and 111, and S½ SE¼
Section 18: Lots 5 – 10, Tracts 103 and 104, SE¼ SW¼, and SW¼ SE¼
Section 19: Lots 5 – 9, W½ NE¼ and E½ NW¼
Section 20: Lots 1-3, E½, E½ W½, and SW¼ SW¼
Section 21: Lots 3 and 4, Tract 112A (Echo #2), Tract 113 (Echo #3), Tract 114A, Tract 114B (Echo #1 claim), Tract 115A (Echo #4), and Tract 124A1 (Echo #6)
Section 22: All except Tract 112B
Sections 23 and 24: All
Section 25: N½
Section 26: N½
Section 27: Tract 120A (Texas #41), Tracts 121B and C (Ransom #6 claim), Tract 122 (Texas #30), Tracts 123A and B (Ransom #5 claim), and Tract 124A1 (Echo #6)
Section 28: Tract 124A1

On May 8, 2008, the Commission issued Order No. 510-41, which among other things, allowed the equivalent of one (1) well per 10 acres to be drilled on the below-listed lands, for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the outside boundary:

Township 6 South, Range 97 West, 6th P.M.

Section 19: E½ W½ NW¼

On February 9, 2009, Oxy USA WTP LP (“Oxy”), by its attorney, filed with the Commission a verified application for an order to allow the equivalent of one well per 10 acres to be drilled into and produced from the Williams Fork and Iles Formations, for the below-listed lands:

Township 5 South, Range 96 West, 6th P.M.

Section 31: SE¼ and Lots 1 and 2

Township 7 South, Range 97 West, 6th P.M.

Section 8: The E½ of Tract 39 and 1.26 acres out of the NW corner of Tract 39

Section 17: Tract 89

Section 18: Tracts 89 and 91

Section 21: Lots 112B and 112C

Section 22: Tract 112B

Section 26: Tracts 121C and 121B

Further, in that same verified application, Oxy requests that the equivalent of one well per 10 acres to be drilled into and produced from the Iles Formation, for the below-listed lands:

Township 6 South, Range 97 West, 6th P.M.

Section 2: S½ and Lots 9, 10, 15, 16, 21 and 22

Section 3: Lots 7 through 16 and S½

Sections 4 and 5: All

Section 6: Lots 13 through 18, Lots 22 through 25, and E½ SW¼, and SE¼

Section 8: E½, E½ NW¼, SW¼ NW¼, and SW¼

Sections 9 and 10: All

Section 11: W½ and SE¼

Section 14: S½

Sections 15 through 17: All

Section 18: E½ and SE¼ NW¼

Section 19: NE¼, E½ NW¼, and E½ W½ NW¼

Sections 20 through 22: All

Section 23: NW¼

Section 28 and 29: All

Sections 32 through 34: All

Township 7 South, Range 96 West, 6th P.M.

Section 9: S½

Section 10: SW¼

Section 15: NW¼

Section 16: All

Section 17: NE¼ and S½

Section 18: S½

Section 19: N½ and SW ¼

Section 20: N½

Section 30: NW¼

Township 7 South, Range 97 West, 6th P.M.

Section 3: Tracts 71 and 72, Amended Tract 75, Lots 5-7, and SE¼ SE¼

Sections 3, 4 and 9: Tract 77F

Section 4: Tracts 77B, 77C, 79E, 79F, and 79G

Section 5: Lots 5 -10, Tracts 84 and 85

Section 8: Lots 1 – 8, Tracts 85, 88, and 89

Section 9: Lots 1 and 2, Tracts 92, 93, 94A, 94B, 94C, 94D, 94E, 94F, and 95

Section 10: All

Section 11: S½ S½

Section 12: S½ S½

Section 13: All

Section 14: W½

Sections 15 and 16: All

Section 17: Lots 1 – 9, Tracts 103 and 111, and S½ SE¼

Section 18: Lots 5 – 10, Tracts 103 and 104, SE¼ SW¼, and SW¼ SE¼

Section 19: Lots 5 – 9, W½ NE¼ and E½ NW¼

Section 20: Lots 1-3, E½, E½ W½, and SW¼ SW¼

Section 21: Lots 3 and 4, Tract 112A (Echo #2), Tract 113 (Echo #3), Tract 114A, Tract 114B (Echo #1 claim), Tract 115A (Echo #4), and Tract 124A1 (Echo #6)

Section 22: All except Tract 112B

Sections 23 and 24: All

Section 25: N½

Section 26: N½

Section 27: Tract 120A (Texas #41), Tracts 121B and C (Ransom #6)

claim), Tract 122 (Texas #30), Tracts 123A and B (Ransom #5 claim), and Tract 124A1 (Echo #6)
Section 28: Tract 124A1

The application further proposes that all future wells drilled, for either the Williams Fork or Iles Formations, or both, as the case may be, upon such lands should be located downhole anywhere but no closer than 100 feet from the outside boundary of the application lands unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, in which event the Williams Fork and/or Iles Formation wells to be drilled upon the application lands should be drilled downhole no closer than 200 feet from that portion of the boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Williams Fork or Iles Formation wells has not been ordered by the Commission.

Except as previously authorized by order of the Commission, wells to be drilled under this application will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date; Monday, March 30, 2009
Tuesday, March 31, 2009

Time: 9:00 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than March 16, 2009, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of March 16, 2009.** Pursuant to Rule 503.f., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **March 16, 2009 the Applicant may request that an administrative hearing be scheduled during the week of March 16, 2009.** In the alternative, pursuant to Rule 511.b., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Robert A. Willis, Acting Secretary

Dated at Suite 801
1120 Lincoln Street
Denver Colorado 80203
February 27, 2009

Attorneys for Applicant
Scott M. Campbell/Nick A. Swartzendruber
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Phone: (303) 861-4400